

Opening of Contributory Window, July 1, 2006

Acts 23 and 47 of the 2nd Extraordinary Session of 2003 as amended by Act 385 of 2005 allow active members of the Teacher Retirement System who previously elected to be noncontributory (by signing an Irrevocable Noncontributory election Form) to make an irrevocable election to become contributory members. This option is to be effective each July 1, beginning with July 1, 2006.

Before Teacher Retirement can implement the changes for this window, applicable employers must have a Payroll Reduction (Employer Pick-Up) Resolution adopted by their governing board, or if none, the agency director, and returned to Teacher Retirement by April 30, 2006. The Payroll Reduction Resolution Forms were mailed to employers on January 30, 2006. When the signed Resolution forms are received by Teacher Retirement, the new contributory forms are mailed to employers.

Teacher Retirement must receive the completed Irrevocable Contributory Election Form by June 30, 2006 for the election date to become effective July 1, 2006. This form should be signed by both the member and employer.

The IRS ruling we received allowing us to implement this change does not cover certain of our employers who are not considered by the IRS to fall under the definition "school districts, public schools, state colleges and universities, the educational components of certain state agencies and instrumentalities and ATRS."

Such employers include:

AR Activities Association
AR Association of Education Administrators
AR School Board Insurance Trust
AR Easter Seals Society
Jefferson County Adult Ed
Laidlaw Transit
Literacy Council of Lonoke

Therefore, a determination has been made under Rule 6-1A-1 that noncontributory employees of these employers may not take advantage of the election to become contributory.